



HALLIBURTON INVESTOR RELATIONS

Investor Outreach Doesn't Have to be Out of Reach:

Ten Ways to Communicate Confidence – Even on a Shrinking IR Budget

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Following the economic downturn and subsequent market crash in 2008, many companies were forced to slash expenses, and investor relations budgets for 2009 were tighter than they had been in years. Some firms actually declared a moratorium on IR travel for the first half of the year. With market valuations at a 30-year low, some managements decided it was easier to curtail their proactive investor outreach programs completely, justifying their decision by using the market crash as an excuse not to communicate with investors. Citing depressed multiples and the extreme market volatility, these managements came to the conclusion that their communications efforts would have little or no effect on market response. So, why bother?

As IR practitioners, we understand the importance of consistent communication with investors. We know that communication with Wall Street is even more important in bad times than in good, and in a volatile market environment, investors want more information flow not less.

Jeff Schwartz, senior portfolio manager with Palisade Capital Management in Fort Lee, NJ, agrees. “No communication creates fear of the unknown. What creates confidence in a management team is an ability to tackle problems or communicate situations whether they know where things are or not in terms of their business. When the market is declining, there’s some level of comfort in knowing that you’re getting a call back.”

Reaching prospective investors requires a consistent, focused, proactive approach augmented by a strong relationship outreach program. Companies that subscribe to IR best practices hold investor relations roadshows on a regular basis, preferably bi-monthly or quarterly. During these trips, management should meet with shareholders as well as targeted, new prospective investors and analysts who should have an interest in the company’s stock. But for companies that just don’t have the travel dollars to pursue a more active IR travel program, there are other, more affordable options available. Here’s a list of ten best practices to consider:

- **Use teleconferences and Web meetings to communicate with investors.** While there is no substitute for face-to-face discussion, long distance really is the next best thing to being there. Web/telephone meetings enable management to review the corporate presentation and delineate corporate strategy and outlook just as if they were sitting across the table from the investment professional.

- **Bring the investors to you.** Consider hosting an Analyst Day at your headquarters or at one of the company’s key operating facilities. Be sure to include presentations by key operations personnel. Company expenses will be limited since attending investment professionals will pay their own travel expenses. To ensure a smooth event, start the planning process early and Webcast the event for those analysts and investors who are unable to attend in person. After the Analyst Day, upload an edited version of the presentations to your IR Web site for future reference.
- **Consider producing a quarterly message from the CEO** that is distributed to investors via e-mail and also posted to the IR section of the corporate Web site. This could be either a written narrative or a brief video message.
- **Keep tabs on your peers.** Proactively reach out to holders of peer companies that don’t hold your stock. Introduce yourself and your company and begin building a relationship.
- **Establish yourself as an industry expert for the media.** Make yourself or other members of the management team available as industry experts for various publications, providing objective information about current business conditions and their impact on the sector. This type of exposure enhances management credibility and goes a long way toward building your brand and company interest.
- **Maximize participation at investment conferences.** Don’t just come in for your conference presentation and leave. Take advantage of opportunities for one-on-one meetings at the conference. Maximize your travel dollar by staying after the conference an extra day to meet with other shareholders and followers.

Schwartz says, “I’m a big believer in meeting with folks. Conferences are usually a good way to communicate to a mass audience as well as setting up one-on-one meetings with investors as a side of that trip.”

- **Use the quarterly earnings conference call to educate investors about your business.** Expand quarterly conference call remarks beyond the highlights of the quarter just completed. Discuss other aspects of the business, highlight customer wins and consider having the chief operating officer or other operations management discuss one segment of the business in greater detail. Help investors understand the underlying economic and business conditions impacting the company’s results and outlook.
- **Expand information presented in press releases.** Take the opportunity to repeat your message to investors regarding the long-term growth opportunity for the company.
- **Use your Web Site.** Make sure the corporate Web site includes comprehensive financial and operational information for investors. Remember that the corporate Web site is the first place most investors go when researching a company for potential investment.
- **Be responsive** to incoming investor calls and requests for meetings. Managements sometimes miss an important exposure opportunity by not taking advantage of in-office meetings when investors come into town to meet with companies.

As Schwartz says, “Responsiveness is key. Especially at a period of time when there’s confusion about how business is progressing or where the industry is in terms of its life cycle.”

About Palisade Capital Management

Palisade Capital Management, LLC is a Fort Lee, NJ based SEC Registered Investment Adviser with approximately \$2.9 billion of assets under management.

Jeffrey Schwartz, CFA and Senior Portfolio Manager, joined Palisade Capital in late 2004 and is a member of the Investment Policy Committee. Mr. Schwartz is the portfolio manager for the institutional small cap and mutual fund portfolios and the micro cap hedge fund.

Prior to joining Palisade, he was Senior Portfolio Manager and Vice President of Safeco Asset Management and Senior Portfolio Manager and a Principal of Munder Capital Management. Mr. Schwartz is a CFA Charterholder. Mr. Schwartz received his M.B.A. from the University of Michigan and his B.A. in Mathematics from the State University of New York at Binghamton.

About HIR

HIR was formed in 1990 to provide a superior caliber of investor relations representation to publicly traded companies. The firm’s team of experienced professionals develops strategic communications programs designed to produce maximum results. Over the last nineteen years, numerous clients have benefited from HIR’s expertise in investor relations, financial communications, corporate governance and disclosure issues. HIR’s strategic programs for clients have resulted in broadened share ownership, enhanced trading volume and, over time, an improved stock price. HIR was recently selected as one of the *Dallas Business Journal*’s Best Places to Work for 2009. For more information on the company, visit www.HalliburtonIR.com.

Geralyn Maher DeBusk, President of HIR, is responsible for corporate strategic planning, client relations and business development for the firm. Before joining the company in 1992, She was Director of Investor Relations for Kaneb Services, Inc. (now Furmanite Corporation, NYSE: FRM), a large industrial services company with international operations, and for its subsidiary, Kaneb Pipe Line Partners. Geralyn graduated from Southern Methodist University with a B.F.A. in Journalism and is a member of the National Investor Relations Institute (NIRI).